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MIDDLETOWN MAN CONVICTED OF TAX EVASION IN U.S. COURT

JAMES B. COMEY, the United States Attorney for the Southern District of New York, announced that MICHAEL J. O'DONNELL, an airline pilot from Middletown, New York, was convicted today in White Plains federal court of tax evasion and related charges. The jury returned its verdict after four days of trial testimony and evidence.

According to the evidence at trial, O'DONNELL, a pilot currently employed by PARC-US (an international freight carrier), stopped filing returns and paying taxes in 1993. In addition, O'DONNELL, who earned in excess of \$100,000 per year, filed false documents with the IRS between 1994 and 1999 in order to (i) prevent his employer from withholding any federal income taxes, and (ii) obstruct the IRS in its efforts to collect back taxes that had been assessed by the civil branch of the IRS, the evidence at trial showed. The evidence also demonstrated that O'DONNELL filed a false Form W-8 withholding certificate claiming

that he was not a citizen of the United States and that he also filed a false W-4 withholding certificate claiming to be completely exempt from tax.

The evidence at trial also demonstrated that O'DONNELL took several other steps to obstruct the IRS's collection efforts, including: filing a racketeering lawsuit against his employer, PARC-US, after PARC-US complied with a wage levy that had been issued by the IRS; filing for bankruptcy to stop the levy; and seeking a hearing with the IRS regarding its collection efforts but failing to show up for the hearing.

O'DONNELL was found guilty of five counts of tax evasion (for the 1995, 1996, 1997, 1999, and 2000 tax years). He was also found guilty of endeavoring to obstruct the due administration of the IRS, and failing to file a tax return for the 1998 tax year.

O'DONNELL faces five years in prison on each of the five tax evasion charges. He also faces three years in prison for obstructing the IRS, and one year imprisonment for failing to file a tax return.

United States District Judge COLLEEN McMAHON, who presided over the trial and scheduled sentencing for September 2, 2003, and ordered O'DONNELL to be jailed pending sentencing, finding that O'DONNELL had perjured himself at trial and thus had demonstrated contempt for the court.

Mr. COMEY praised the IRS for its efforts in this

investigation and prosecution.

Assistant United States Attorney STANLEY J. OKULA, JR.
and Special Assistant United States Attorney ANDREW KAMEROS are
in charge of the prosecution.

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